

# FISCAL NOTE

## HB 1805 - SB 1942

April 1, 1997

**SUMMARY OF BILL:** Bill re-directs up to \$5 million of payments made in lieu of taxes by TVA from local governments to the Tennessee Industrial Infrastructure Program. Such funds would come from the increase in payments received over the amount received in FY1996-97. The TVA in lieu of tax payments are apportioned 48.5% to the General Fund, 48.5% to local governments, and 3% to the local areas impacted by TVA construction.

### ESTIMATED FISCAL IMPACT:

**Increase State Revenues - \$3,450,000 / Included in Gov.'s 1997-98 Budget<sup>1</sup>**

**Decrease Local Govt. Revenues - \$3,450,000**

This estimate assumes that the funds would be re-directed from the local allocation only and that no funds would be diverted from the General Fund allocation of the increase in TVA in-lieu-of-tax payments. Estimate also assumes FY96-97 collections to be distributed of \$106.9 million and FY97-98 collections to be distributed of \$113.6 million.

*There is also estimated to be a decrease in state and local government revenues to the extent that the 3% impact fees' growth would not be allocated to TACIR and UT - CTAS, as well as the impacted local areas, that would have been allocated to them in the absence of this bill. The amount of such decrease is not known.*

<sup>1</sup>The funding shift is reflected in the 1997-98 Budget as \$5,000,000.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director